

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY  
CC Docket No. 98-147

In the Matter of

Deployment of Wireline Services Offering  
Advanced Telecommunications Capability

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REPLY COMMENTS  
of the  
GENERAL SERVICES ADMINISTRATION

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## Summary

In these Reply Comments, GSA responds to claims by incumbent LECs that it is not necessary for the Commission to participate actively in the development of standards for spectrum compatibility. As comments by competitors show, representatives of all types of carriers as well as Commission engineering personnel must participate in the development process to ensure that balanced and pro-competitive standards are developed. GSA urges the Commission to adopt features of a plan advanced by a competitive carrier, calling for significant inputs by the Commission with an engineer from its Staff chairing a Loop Technology Advisory Committee.

GSA also responds to claims that line sharing should not be required at this time. Incumbent LECs contend that it is premature to require line sharing, even when the incumbent LEC is sharing facilities between its own basic and advanced services on the same route. These LECs assert that there are significant practical, technical and operational barriers to line sharing. They also incorrectly claim that the multiplicity of LEC services using the upper part of the spectrum for digital technologies makes line sharing with competitors potentially “detrimental to the public.”

As GSA explains, submissions by competitive carriers and state regulators demonstrate that the Commission should not be swayed by these claims. Indeed, comments demonstrate the feasibility of line sharing. Moreover, one competitive LEC explains that line sharing will provide millions of consumers with an immediate competitive choice for broadband services.

The comments reinforce GSA’s position that the minimum appropriate step is to require line sharing with competitors if this approach is implemented for the LEC’s own services. Basically, if a LEC is able to share among its own services on a route, technical feasibility has been established, and line sharing is necessary to maintain a level playing field between incumbent and competitive LECs.

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**REPLY COMMENTS  
of the  
GENERAL SERVICES ADMINISTRATION**

The General Services Administration ("GSA") submits these Reply Comments on behalf of the customer interests of all Federal Executive Agencies ("FEAs") in response to the Commission's Notice of Proposed Rulemaking ("Notice") released on March 31, 1999. In the Notice, the Commission seeks comments and replies on spectrum compatibility standards and line sharing issues.

**I. INTRODUCTION**

Since the start of this proceeding more than a year ago, the Commission has taken pro-competitive steps to facilitate provision of advanced telecommunications services through sharing of central office and outside plant facilities. In the Notice, the Commission continues this process by seeking comments on the procedures for development of spectrum compatibility standards and the rules for sharing transmission spectrum on local access facilities.

On June 15, 1999, GSA submitted Comments in response to the Notice emphasizing that balanced and pro-competitive spectrum compatibility standards are vital to end users. To ensure that such standards are developed, GSA urged the Commission to include representatives of competitive carriers as well as staff

personnel of the Commission and state regulatory bodies in the standards development process. Moreover, GSA urged the Commission to assume the role of final arbitrator in the process by exercising the right to approve or reject standards with notice and comment by all concerned parties.

In its Comments, GSA also addressed issues concerning line sharing, which will foster competition for advanced services. As an initial step, GSA urged the Commission to adopt its tentative conclusion to require line sharing with competitors if an incumbent local exchange carrier ("LEC") now shares a line among its own services, or the services offered by an affiliate company.

More than 25 parties submitted comments in response to the Notice. These parties include:

- 7 incumbent LECs and associations of these carriers;
- 16 interexchange carriers ("IXCs") and competitive LECs;
- 2 state regulatory commissions; and
- a non-profit engineering and information technology company.

In these Reply Comments, GSA responds to the positions advanced by these parties.

## **II. THE COMMISSION SHOULD REJECT CLAIMS THAT IT IS NOT NECESSARY TO PARTICIPATE IN THE DEVELOPMENT OF SPECTRUM COMPATIBILITY STANDARDS.**

The Commission explained in its First Report and Order in this proceeding that spectrum compatibility allows different loop technologies to operate in close proximity in a cable while not significantly degrading each other's performance.<sup>1</sup> This capability is particularly important with high-speed digital services in a multi-carrier environment. For example, if an incumbent carrier and a competitive carrier offer

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<sup>1</sup> First Report and Order, CC Docket No. 98-147, March 31, 1999, para. 61.

digital subscriber line (“DSL”) services that employ different encoding technologies, and their respective loops are near each other in the same cable, the two technologies may interfere and cut one or both transmission paths.<sup>2</sup> Thus, standards governing spectrum compatibility are necessary to protect the interests of end users and competing carriers.

Several incumbent carriers contend that the Commission should not participate actively in the development of standards for spectrum compatibility. For example, GTE claims, “Industry bodies are developing standards in a fair and open manner without the need for Commission intervention.”<sup>3</sup> This carrier refers to the activities of the “Committee T1” sponsored by the Alliance for Telecommunications Industry Solutions (“ATIS”) and accredited by the American National Standards Institute (“ANSI”) to formulate telecommunications standards.<sup>4</sup> GTE states that this committee is not dominated by any interest group, and that the committee effectively represents the interests of carriers, manufacturers, and Internet service providers.<sup>5</sup>

BellSouth opposes the Commission’s participation on procedural grounds. This LEC contends that the Commission should not even be addressing spectrum compatibility as a regulatory issue at this time. BellSouth states that the Commission should suspend the proceeding until it has “completed the work” of developing rules concerning unbundling in CC Docket No. 96-98.<sup>6</sup> Moreover, according to BellSouth,

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<sup>2</sup> *Id.*

<sup>3</sup> Comments of GTE, p. 5.

<sup>4</sup> *Id.*, p. 6.

<sup>5</sup> *Id.*

<sup>6</sup> Comments of BellSouth, p. 10.

incumbent LECs have endured “draconian regulation” and they should not be subject to more of the same.<sup>7</sup>

GSA explained in its Comments that telecommunications working groups with balanced representation can serve as a focal point for the development of standards. However, these groups may not provide opportunities for substantial inputs by competitive carriers or regulatory bodies that could help to ensure that standards also reflect the needs of end users.<sup>8</sup> To ensure that the interests of end users are considered, GSA urged the Commission to assume the role of final arbitrator by exercising the right to approve or reject standards with notice and comment by all concerned parties.<sup>9</sup>

Nearly all competitive LECs concur with GSA’s view that participation by the Commission is necessary to ensure that balanced and pro-competitive standards are developed. For example, Northpoint Communications explains:

The Commission should maintain oversight of spectrum policy to ensure that incumbent LECs and standards bodies do not thwart the goals of the Act by imposing spectrum policies that defeat innovative services offered by new entrants.<sup>10</sup>

As an example of the required regulatory oversight, Northpoint explains that the Commission should establish “the significant degradation test” as both the short- and long-term measure for spectrum compatibility and management policy.<sup>11</sup> In issues concerning spectrum compatibility, Northpoint emphasizes that the Commission

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<sup>7</sup> *Id.*, p. 11.

<sup>8</sup> Comments of GSA, p. 5.

<sup>9</sup> *Id.*

<sup>10</sup> Comments of Northpoint Communications, p. 32 (emphasis supplied.)

<sup>11</sup> *Id.*

should not defer to incumbent LECs or industry bodies that are not charged with advancing competition.<sup>12</sup>

Another competitive LEC, Covad Communications, outlines a specific plan for Commission participation. Covad states that the Commission should:

- Designate at least one Commission engineer to regularly attend T1E1 and other industry standards meetings, to keep abreast of technological developments and to ensure that progress in those bodies is not intentionally stalled by any class of carrier;
- Ensure that the Enforcement Bureau has sufficient engineering expertise by augmenting its own staff or drawing from the current resources of other Commission units; and
- Convene, on a quarterly basis, a Loop Technology Advisory Committee that would meet to review technological developments, reports of spectral interference, and pending field trials before the Commission. A senior engineer on the Commission staff would chair the Advisory Committee.<sup>13</sup>

GSA urges the Commission to adopt these recommendations, which should help to protect the interests of all parties in developing spectrum compatibility standards.

### **III. CONTRARY TO ASSERTIONS BY SEVERAL CARRIERS, THE COMMISSION SHOULD REQUIRE LINE SHARING WITH COMPETITORS IF THE INCUMBENT PROVIDES MULTIPLE SERVICES OVER THE SAME LINE**

Line sharing is the ability of two different service providers to offer services over the same physical facility, with each carrier employing different frequencies to transport their messages.<sup>14</sup> In the Notice, the Commission is seeking views of parties on its tentative conclusion to adopt, as an initial line sharing plan, a requirement that incumbent LECs must provide other carriers with access to the transmission

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<sup>12</sup> *Id.*

<sup>13</sup> Comments of Covad Communications, pp. 53-54.

<sup>14</sup> Notice, para. 92.



frequencies above those employed for voice grade analog service on any lines that the LECs use to provide exchange service if the LEC itself provides both exchange and advanced services on a single line.<sup>15</sup>

GSA supported this tentative conclusion in its Comments.<sup>16</sup> GSA explained that if a LEC employs "line sharing" for itself, competitive neutrality mandates that the LEC also share with competitive carriers.<sup>17</sup>

Incumbent LECs state that it is premature to require line sharing in any circumstances, even when the incumbent is sharing facilities between its own basic services and advanced services on the same route. For example, Ameritech asserts that practical, technical and operational issues also "preclude any near-term line-sharing obligation."<sup>18</sup> In support of this position, Ameritech cites a Commission finding:

[t]o the extent that an incumbent LEC can demonstrate to the state commission that digital loop conditioning would interfere with the analog voice service of the line, line sharing is not technically feasible on that line, and the incumbent LEC is not obligated to share that line.<sup>19</sup>

Bell Atlantic finds imprecision in the definition of "advanced services" in this context.<sup>20</sup> This LEC states that carriers offer many services that utilize the higher frequencies on a loop. In addition to extra voice channels, the higher end of the spectrum is employed for Data-Over-Voice ("DOV") services, Integrated Services Digital Network ("ISDN") services, and Electronic Business Sets, which allow the

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<sup>15</sup> *Id.*, para. 99.

<sup>16</sup> Comments of GSA, pp. 5-8.

<sup>17</sup> *Id.*, p. 10.

<sup>18</sup> Comments of Ameritech, p. 8.

<sup>19</sup> *Id.*, p. 12, citing Notice, para. 104.

<sup>20</sup> Comments of Bell Atlantic, pp. 10-11.

company's subscribers to activate special features such as conferencing and messaging.<sup>21</sup> According to Bell Atlantic, the multiplicity of services using the upper spectrum makes sharing with competitors potentially "detrimental" to the public.<sup>22</sup>

The Commission should not be swayed by these arguments. If an incumbent LEC is splitting the spectrum among its own services, it should bear the burden of demonstrating that the operational hurdles are insurmountable. There may be exceptions to a general requirement for line sharing, but they should be justified in each instance where the LEC declines to make spectrum available. Indeed, the Commission's finding referenced by Ameritech admits to this approach, which is still appropriate in view of the comments of competitive LECs in this proceeding.

Bell Atlantic's argument concerning the multiplicity of services is an attempt to split hairs instead of spectrum. Indeed, all of the services that Bell Atlantic mentions — DOV, ISDN and others — are in this context properly called "advanced" services. Incumbent LECs should not be permitted to maintain an unreasonable competitive advantage by unbundling these services for themselves, but not for other carriers.

In contrast with the anti-competitive claims of incumbent carriers, competitive LECs extol the benefits of line sharing. One such carrier explains that line sharing will provide millions of consumers with an immediate competitive choice for broadband services.<sup>23</sup> The carrier notes that line sharing will have these benefits because it:

- provides more efficient utilization of outside plant;
- promotes innovation in digital subscriber line ("DSL") network management services;
- employs ratepayer assets as ratepayers choose;

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<sup>21</sup> *Id.*

<sup>22</sup> *Id.*, p. 10.

<sup>23</sup> Comments of Covad Communications, p. 26.

- prevents anti-competitive conduct by incumbent LECs;
- diminishes incentives for incumbent carriers to keep unbundled loop costs high; and
- reduces the potential for competitive harm caused by price squeezes.<sup>24</sup>

One of the most persuasive endorsements of line sharing is by a competitive carrier, Sprint Corporation ("Sprint") which opposed this approach previously in this proceeding.<sup>25</sup> In its current comments, Sprint explains that the approaches taken by incumbent LECs that are offering xDSL services on a shared basis with basic local exchange service as well as the Commission's assessments of these approaches have clarified costing and pricing issues.<sup>26</sup> Although Sprint continues to believe that line sharing poses administrative complexities, on balance the company supports the Commission's tentative conclusion that line sharing should be required when the LEC is sharing among its own services.<sup>27</sup>

State regulators submitting comments in response to the Notice also endorse line sharing. For example, the Oklahoma Corporation Commission ("OCC") states that the engineering feasibility of line sharing and the authority of the FCC to require this approach have been established.<sup>28</sup> Moreover, the OCC explains that the evidence is overwhelming that for line sharing to be accomplished, "it must be mandated by the FCC."<sup>29</sup>

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<sup>24</sup> *Id.*, pp. 26-34.

<sup>25</sup> Comments of Sprint, p. 8.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> Comments of the OCC, p. 11.

<sup>29</sup> *Id.*, pp. 11-12.

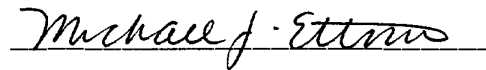
Indeed, the comments by a variety of parties demonstrate the feasibility and benefits of line sharing from many perspectives. These comments reinforce GSA's position that the minimum appropriate step at this time is require line sharing with competitors if this is implemented for the LEC's own services. Moreover, the Commission should take steps to ensure that all technological, administrative, and operational impediments to more comprehensive line sharing requirements are removed as soon as possible.

#### IV. CONCLUSION

As a major user of telecommunications services, GSA urges the Commission to implement the recommendations set forth in these Reply Comments.

Respectfully submitted,

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July 22, 1999

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I, MICHAEL J. ETTNER, do hereby certify that copies of the foregoing "Reply Comments of the General Services Administration" were served this 22nd day of July, 1999, by hand delivery or postage paid to the following parties.

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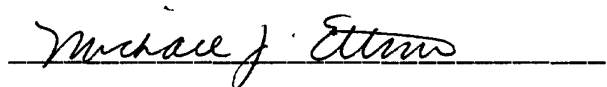
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